

Assembly Bill No. 2647

Passed the Assembly August 28, 2014

Chief Clerk of the Assembly

Passed the Senate August 27, 2014

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2014, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Section 34182.1 to the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 2647, Wagner. Redevelopment: El Toro Project Area: former City of Lake Forest Redevelopment Agency.

Existing law dissolved redevelopment agencies and community development agencies as of February 1, 2012, and provides for the designation of successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations and to perform obligations required pursuant to any enforceable obligation. Existing law additionally requires the county auditor-controller to determine annually the amount of property taxes that would have been allocated to each redevelopment agency had the agency not been dissolved, and to deposit that amount into the Redevelopment Property Tax Trust Fund. Existing law requires the county auditor-controller for each fiscal year to allocate moneys in the Redevelopment Property Tax Trust Fund for passthrough payment obligations, enforceable obligations of the dissolved redevelopment agency, and administrative costs, as specified.

This bill would require the Orange County Auditor-Controller to allocate property tax revenues attributable to the El Toro Project Area, as defined, between the Redevelopment Property Tax Trust Fund established for the former Orange County Development Agency and the Redevelopment Property Tax Trust Fund established for the former Lake Forest Redevelopment Agency, as provided.

By adding to the duties of local government officials, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for the former City of Lake Forest Redevelopment Agency.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the

state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

The people of the State of California do enact as follows:

SECTION 1. Section 34182.1 is added to the Health and Safety Code, to read:

34182.1. (a) The Orange County Auditor Controller shall allocate property tax revenues attributable to the El Toro Project Area between the Redevelopment Property Tax Fund established for the former Orange County Development Agency and the Redevelopment Property Tax Trust Fund established for the former Lake Forest Redevelopment Agency as provided in subdivision (b).

(b) (1) All property tax revenues deposited by the Orange County Auditor Controller pursuant to paragraph (1) of subdivision (c) of Section 34182 during each fiscal year that are attributable to the Neighborhood Preservation and Development Project Area, including the El Toro Project Area, shall initially be placed into the Redevelopment Property Tax Trust Fund for the former Orange County Development Agency.

(2) After deducting the administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code, as described in subdivision (a) of Section 34183, and remitting the amounts required under paragraph (1) of subdivision (a) of Section 34183, the Orange County Auditor Controller shall transfer the sum of both of the following, determined for the entire fiscal year, into the redevelopment obligation retirement fund of the successor agency to the Orange County Development Agency for distribution as required by law and applicable bond covenants:

(A) The amount required by Section 33670.9.

(B) All other obligations secured by a prior claim on, or pledge of, moneys in the Redevelopment Property Tax Trust Fund of the former Orange County Development Agency, including tax allocation bonds, as applicable, that are payable on a basis prior to any transfer to the former Lake Forest Redevelopment Agency

pursuant to the transfer agreement or pursuant to Part 1.8 (commencing with Section 34161), this part, or other law.

(3) After depositing the amount described in paragraph (2) into the redevelopment obligation retirement fund of the successor agency to the Orange County Development Agency, the Orange County Auditor Controller shall deposit into the Redevelopment Property Tax Trust Fund established for the former Lake Forest Redevelopment Agency the transfer agreement amount, as set forth in the applicable Recognized Obligation Payment Schedule submitted by the successor agency to the Orange County Development Agency and approved by the Department of Finance, to the extent moneys are available from the portion of the former Orange County Development Agency's Redevelopment Property Tax Trust Fund attributable to the El Toro Project Area.

(4) The payment described in paragraph (3) shall be paid prior to all payments listed on the recognized obligation payment schedule of the successor agency to the former Orange County Development Agency other than the payments described in paragraph (2), unless otherwise required by statute or applicable bond covenants.

(c) This section shall not be construed to affect the obligations of the successor agency to the Orange County Development Agency under Section 33670.9. Such obligations shall be prior to any transfer of property tax revenues directed by this section and this section shall be interpreted and construed in a manner consistent with Section 33670.9.

(d) This section is intended to implement the transfer agreement in light of the enactment of Part 1.8 (commencing with Section 34161) and this part and, except as expressly set forth herein, this section is not intended to alter the transfer agreement, which shall continue in full force and effect in accordance with its terms.

(e) For purposes of this section, both of the following definitions shall apply:

(1) "El Toro Project Area" means the portion of the former Orange County Development Agency's Neighborhood Preservation and Development Project Area that was transferred to the Lake Forest Redevelopment Agency pursuant to the transfer agreement and Sections 33216 and 33216.1.

(2) "Transfer agreement" means the Agreement to Transfer Territorial Jurisdiction of a Noncontiguous Portion of a

Redevelopment Project Area dated as of July 6, 1999, entered into among the County of Orange, the Orange County Development Agency, the City of Lake Forest, the Lake Forest Redevelopment Agency, and the City of Laguna Hills.

(3) “Transfer agreement amount” means the amount of the payment required to be made by the former Orange County Development Agency to the former Lake Forest Redevelopment Agency pursuant to the transfer agreement, less the amount of passthrough payments attributable to the El Toro Project Area that are disbursed by the Orange County Auditor Controller pursuant to paragraph (1) of subdivision (a) of Section 34183.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique economic circumstances in the area served by the former City of Lake Forest Redevelopment Agency relating to the payment of debt service on preexisting bonds secured by former tax increment revenue generated within the El Toro Project Area.

SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

Approved _____, 2014

Governor